AMENDMENT 1

TO

MEMORANDUM OF AGREEMENT NAT-I-3417

BETWEEN THE

FEDERAL AVIATION ADMINISTRATION DEPARTMENT OF TRANSPORTATION UNITED STATES OF AMERICA

AND THE

SECRETARIAT OF COMMUNICATIONS AND TRANSPORT UNITED MEXICAN STATES

ARTICLE I—GENERAL

Pursuant to the terms of Article VIII of Memorandum of Agreement NAT-I-3417 (the "Agreement") between the Federal Aviation Administration ("FAA") of the Department of Transportation of the United States of America and the Secretariat of Communications and Transport ("SCT") of the United Mexican States (collectively, the "Parties"), the FAA and the SCT agree to amend the Agreement by replacing Article VI, Financial Provisions, and Article VII, Liability, with the following:

ARTICLE VI—FINANCIAL PROVISIONS

Each annex or appendix shall describe the specific financial arrangements for the technical assistance to be provided. However, all financial arrangements shall be subject to the following:

- A. Prior to the provision of any technical assistance by the FAA, the SCT shall submit to the FAA the amount of the estimated expenses of providing the technical assistance and an administrative overhead charge in accordance with the provisions set forth in this Agreement and its annexes and appendices.
- 1. In the event that the FAA does not receive the amount of the estimated expenses within the time specified in the applicable annex or appendix, the FAA shall automatically terminate the technical assistance project and forward a statement of account for the actual expenses, including an administrative overhead charge, incurred in

preparing to provide the technical assistance. The SCT shall provide reimbursement of any such statement of account.

- 2. The FAA may, in its sole discretion and on a case-by-case basis, waive the required submission of the amount of the estimated expenses. In such cases, the FAA shall submit a statement of account to the SCT for all expenses, including an administrative overhead charge, incurred by the FAA in providing the technical assistance.
 - B. The FAA may, in its sole discretion and on a case-by-case basis:
- 1. Waive reimbursement by the SCT of all or a portion of the expenses of providing technical assistance, including the administrative overhead charge, under the annexes and appendices to this Agreement. The details of any such waiver shall be set forth in the appropriate annex or appendix.
- 2. Accept reimbursement from a third party or another agency of the U.S. Government in lieu of payment by the SCT of all or a portion of the expenses, including the administrative overhead charge, of providing technical assistance under the annexes and appendices to this Agreement. The details of any such reimbursement shall be set forth in the appropriate annex or appendix.
- C. The FAA has assigned agreement number NAT-I-3417 to identify this Agreement. This number and the billing number assigned to each annex or appendix, if applicable, shall be referenced in all correspondence and bills related to this Agreement.
- D. Upon completion of the technical assistance, the FAA shall submit a statement of account to the SCT detailing the actual expense of providing the technical assistance, including an administrative overhead charge. Each statement of account shall be delivered to the address specified in the applicable annex or appendix.
- 1. If the statement of account shows that the actual expense of providing the technical assistance is greater than the estimated expenses paid by the SCT, the SCT shall submit the amount shown in the statement of account to the FAA.
- 2. If the statement of account shows that the actual expense of providing the technical assistance is less than the amount of estimated expenses submitted by the SCT, the FAA shall either refund the difference to the SCT, apply the difference to any unreimbursed amounts from the SCT under the Agreement, or hold the amount as a deposit against any future technical assistance under this Agreement, as agreed to by the Parties.
- E. Reimbursement of an amount shown on a statement of account must be received by the FAA within sixty (60) days after the date the FAA issues the statement of account. In the event that the reimbursement is not received by the FAA within such time, the FAA shall update the amount shown on a statement of account in accordance with U.S. Treasury Department regulations. The FAA shall update the amount shown on a statement of account for each additional thirty (30) day period, or portion thereof, that payment is not received. The SCT shall submit to the FAA the amount shown on any such statement of account.

- F. All reimbursement shall be made in U.S. dollars and may be made either by check or electronic funds transfer. Checks shall be drawn on a U.S. bank and forwarded to the FAA at the address specified in the applicable annex or appendix. Electronic funds transfers shall be made in accordance with the instructions set forth in the applicable annex or appendix. All reimbursement shall include a reference to the assigned agreement number and billing number.
- G. The FAA reserves the right to suspend all work under this Agreement if there is an outstanding amount for the technical assistance provided under any of its annexes or appendices.
- H. In the event of a termination by either Party pursuant to Article X of the Agreement, the SCT shall reimburse:
- 1. All expenses incurred by the FAA in providing, or in preparing to provide, the technical assistance prior to the date of such termination, including an administrative overhead charge; and
- 2. All termination expenses incurred by the FAA during the 120-day close-out period.

ARTICLE VII—LIABILITY

- A. The United States, including the FAA and all other agencies and instrumentalities of the United States (collectively "the United States"), assumes no liability for any claim, loss, damage, injury, or death arising out of or relating to this Agreement.
- B. The SCT waives any and all claims against the United States and any current or former officers or employees of the United States for any and all loss, damage, injury, or death arising out of or relating to this Agreement and agrees that it shall bring no claim or legal proceeding of any kind against any of the above entities or persons for any such claim, loss, damage, injury, or death.
- C. The SCT further agrees to indemnify the United States and any current or former officer or employee of the United States for any judgments, settlements, or awards paid by them and all costs (including attorneys' fees) incurred by them as a result of any claim or legal proceeding of any kind brought by a third party or the Government of Mexico, arising out of or relating to this Agreement.
- D. In addition to any waivers of liability that they may already otherwise enjoy pursuant to paragraph B of this Article, the United States and officers and employees of the United States shall also enjoy such waivers of liability as are agreed between the SCT and the FAA.
- E. Acts by the United States or any current or former officer or employee of the United States arising out of or relating to this Agreement that are determined by a United States court of competent jurisdiction (i) to constitute intentional misconduct, and (ii) to have resulted in personal injury, death, or property damage, shall not be considered within

the scope of the SCT's obligation to indemnify the United States or any current or former officer or employee of the United States under paragraph C of this Article.

ARTICLE II—ENTRY INTO FORCE

This Amendment shall enter into force on the date of the last signature.

ARTICLE III—AUTHORITY

The FAA and the SCT agree to the provisions of this Amendment as indicated by the signatures of their duly authorized representatives.

FEDERAL AVIATION ADMINISTRATION DEPARTMENT OF TRANSPORTATION UNITED STATES OF AMERICA		SECRETARIAT OF COMMUNICATIONS AND TRANSPORT UNITED MEXICAN/STATES	
BY:	Joffer Cary	BY:	5
ω	Dordfhy B. Reimold		Ing. Humberto Treviño Landois
TITLE:	Acting Assistant Administrator	TITLE:	Under Secretary of Transport
	for International Aviation		7/-/2
DATE:	5 (17/10	DATE:	1//5/2010
			/ /
			/ /